GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:9
ANSWERED ON:10.08.2007
FOREIGN FINANCIAL INSTITUTIONS IN THE INDIAN SHARE MARKET
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Will the Minister of FINANCE be pleased to state:

(a) whether several foreign financial institutions have invested rapidly in the Indian Share market;

(b) if so, the number of such foreign financial institutions and the total amount of their investment in the last three years; and

(c) the percentage of foreign capital in the share market in comparison to the total investment made in the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): The Securities and Exchange Board of India (SEBI) registers foreign investors in the category of Foreign Institutional Investors (FIIs). There is no category called the foreign financial institutions.

As per information available from SEBI, the number of FIIs registered with SEBI, has seen an increase from 685 on 31st March, 2005 to 997 on 31st March, 2007.

(b) The net investment by FIIs over the last three years is indicated in the table below.

Year	Net investment in Equity (in Rs. crore)	Net investment in debt (in Rs. crore)
2004-05	40631	1929.8
2005-06	48441.6	-7333
2006-07	25190.3	5605.1

(c) The assets under management (AUM) of the FIIs as on 31st March, 2007 were Rs. 5,47,010 cr. as against the market capitalization of Rs. 3,545,041 cr. at the Bombay Stock Exchange (BSE). Thus, the AUM under FIIs is 15.43% of the market capitalization of BSE as on 31st March, 2007.